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RHMFISS/COMUSKOREA J5 SEOUL KOR PRIORITY  
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TAGS: [KS](#) [KN](#) [PGOV](#) [PREL](#) [MNUC](#)  
SUBJECT: UNIFICATION MINISTRY OFFICIAL SEES SOUTH-NORTH  
RELATIONS CONDITIONED ON DPRK DENUCLEARIZATION PROGRESS

REF: SEOUL 219

Classified By: POL M/C Joseph Yun. Reasons 1.4(b/d)

11. (C) SUMMARY: The Ministry of Unification's (MOU) Assistant Minister for Planning and Coordination Park Chang-bong, a veteran MOU official who criticized the Sunshine Policy, expects President Lee Myung-bak's government to make clear to the DPRK that most economic assistance, including fertilizer and rice, depends on denuclearization progress. However, the policy would not be spelled out until after the April 9 National Assembly elections, he said, when the Grand National Party's dominance is expected to be made clear. The ROKG would likely allow the Kaesong Industrial Complex and Mt. Kumgang tourism projects to continue, but without prospects for further expansion until there is progress on denuclearization; nor will other prospective economic projects, such as road and rail improvements, be considered until then. Seeing the DPRK's long-term prospects as bleak, Park said that he was working to have ROKG planning for unification consider not only a gradual unification scenario, as before, but also a contingent scenario based on collapse in the North. End Summary.

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ROKG ASSISTANCE AND DENUCLEARIZATION PROGRESS  
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12. (C) In a March 7 meeting with POL M/C and Poloff, Park Chang-bong said that he saw President Lee Myung-bak's incoming government as firm on tying all but a token amount of economic assistance to the North to progress on denuclearization. "Without progress on the Six-Party Talks, I don't see much aid," he said. Park said that he had concerns about ROKG food assistance to the North because it was used to prop up the otherwise defunct Public Distribution System, and because DPRK officials sold the food when distributing it, gaining funds that could be used for any purpose. As an illustration of the new government's attitude, Park said that the incoming team was holding up a shipment of 50,000 metric tons of maize that President Roh Moo-hyun's administration had agreed to provide to the DPRK toward the end of its term. The need for progress on denuclearization had to be made clear before the new government could begin providing economic assistance. That said, Park believed that the ROKG would provide a token amount of fertilizer and rice assistance, perhaps 50,000 metric tons of each, in any case.

13. (C) Park said that the economic assistance policy would

likely remain unstated until after the April 9 National Assembly elections, when the Grand National Party was expected to win a sizable majority of the 299 seats. The post-April 9 policy would also be more forthcoming about human rights issues. He said that the ROKG and DPRK were not in contact on this or other issues.

¶4. (C) Asked about the main economic engagement projects that began during the Roh administration, the Kaesong Industrial Complex (KIC) and the Mt. Kumgang tourism project, each estimated to yield about USD 1 million per month to DPRK authorities, Park said that they would be left to continue, but without ROKG subsidies and without prospects for expansion until there was progress on denuclearization. For example, the ROKG-sponsored trips for schoolchildren to Mt. Kumgang, which the Roh administration resumed in 2007 after suspending them in the wake of the July 2006 missile tests, were no longer an option. Park added that if the South-North situation deteriorated, the ROKG would retain the option of shutting down KIC and/or Mt. Kumgang. (Note: Perhaps as an effort to entice more South Koreans to visit Mt. Kumgang, North Korean authorities announced last week that tourists would be allowed to drive private cars directly to the resort. End Note.)

¶5. (C) Park clearly supported a harder-line ROKG policy on economic assistance to the North, but he also expressed several concerns (echoing reftel): that China could replace ROKG aid (noting Kim Jong-il's recent publicized visit to the Chinese Embassy in Pyongyang); that the South Korean public could criticize the ROKG if the North Korean people were seen as suffering food shortages; and that the DPRK could respond with a provocation, such as a missile or nuclear test, that would also unsettle the South Korean people. Even so, "we

have the stomach for it," he said.

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CONTINGENT SCENARIO  
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¶6. (C) The Lee government's policy would send a clear message to the DPRK that denuclearization progress was needed for economic assistance to resume, Park said. But the ROKG and USG had to consider the possibility that the DPRK would still not denuclearize. That would require a change of plans, including increased pressure on the DPRK regime, which could lead to the regime's collapse. Park said he was working to have a contingency scenario included in ROKG plans for unification; he was leading an MOU effort to update those plans.

¶7. (C) Noting that many South Koreans recoiled at the possibility of a DPRK government collapse, seeing millions of refugees streaming south and untold costs, Park said the real prospects were actually manageable. In the event of a collapse, most North Korean citizens would remain in their home villages if aid were provided in place. The ROKG would then begin building infrastructure, which would in turn enable North Koreans to find gainful employment and lead to development of further economic opportunities. Park's main point was that the "follow-up (to a collapse) would not be as monumental as people think." He added that at some point it may make sense to push the DPRK regime toward a collapse.

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COMMENT  
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¶8. (C) Park Chang-bong is a rarity: a veteran, senior MOU official who persevered during the Kim Dae-jung and Roh Moo-hyun administrations despite his strong opposition to Sunshine Policy. Park said that he had hoped to win a ranking position in the National Intelligence Service (NIS), so that he could be more "hands-on" in managing the ROKG's North Korea policy. But that was unlikely; he seemed resigned to stay at the Ministry of Unification. Still, he is eager to put some backbone back into the ROKG's approach

to the DPRK, believing that President Lee agrees. Park appears to understand that the shift in the ROKG's approach is likely to lead to hostile rhetoric, if not hostile action, from the DPRK, but he wants to establish new ground-rules for South-North relations in any case.

VERSHBOW